

**AGENDA**  
**City of Lynnwood**  
**Transportation Benefit District (TBD) Board**  
**Council Chambers, City Hall**  
**19100 44<sup>th</sup> Avenue W, Lynnwood, WA, 98036**

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**Regular Meeting**  
**October 19, 2016**  
**7:00 P.M.**

- 10 Call to Order**
- 20 Roll Call**
- 30 Approval of Minutes – July 27, 2016 Special Meeting**
- 40 Voucher Approval**
- 50 Citizen Comments and Communications**
- 60 Consideration, discussion, and possible action on Resolution #9 – Amend the TBD Charter**
- 70 Consideration, discussion, and possible action on a contract amendment between the TBD and the Washington State Department of Licensing**
- 80 Presentation, discussion and approval of the 2015 TBD Annual Report**
- 90 Consideration, discussion and possible action on Ordinance #11 – 2016 Budget Amendment**
- 100 Ordinance #12 - 2017 Budget**
- A Public Hearing**
- B Consideration, discussion, and possible action on said Ordinance**
- 110 Adjournment**

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**Regular Meeting  
October 19, 2016  
7:00 P.M.**

1) July 27, 2016 special meeting minutes

CITY OF LYNNWOOD  
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES  
July 27, 2016

10. CALL TO ORDER – The July 27, 2016 Special Meeting of the City of Lynnwood Transportation Benefit District (TBD) Board, held in the Council Chambers of Lynnwood City Hall, was called to order by Board President Cotton at 7:00 p.m.

20.

ROLL CALL

Board President Ian Cotton  
Board Vice President Benjamin Goodwin  
Board Member M. Christopher Boyer  
Board Member Ruth Ross  
Board Member Shannon Sessions (absent)  
Board Member Shirley Sutton  
Board Member George Hurst

OTHERS ATTENDING

Public Works Director Franz  
Deputy PW Director Elekes  
Resident Capital Project Eng. Mach  
Executive Assistant Morris  
City Attorney Larson

30 APPROVAL OF MINUTES – JUNE 29, 2016 SPECIAL MEETING

*Motion made by Board Member Ross, seconded by Board President Cotton, to approve the minutes as presented. Motion passed unanimously (6-0).*

40. CITIZEN COMMENTS OR COMMUNICATIONS

Board President Cotton read a statement regarding the Public Disclosure Commission rules that apply to public hearing comments. There were no public comments.

50. ORDINANCE #10 – INCREASED OR DECREASED VEHICLE LICENSE FEE

A. Public Hearing

Board President Cotton opened the public hearing at 7:03 p.m. and reviewed the purpose of the hearing, order of speaking, and hearing procedures.

Staff Presentation: Public Works Director Bill Franz made a PowerPoint presentation regarding Lynnwood's transportation needs and funding.

David Mach explained that the TBD Board had requested that staff come back with an ordinance to consider potentially increasing the current \$20 vehicle tab fee to \$40 which is something that can be done at the Board level. Staff has prepared an ordinance to that effect which is contained in the TBD packet starting on page 50-2. If the Board wishes, staff can also prepare an ordinance decreasing the vehicle tab fee. In the Ordinance on page 50-3: section 1 specifies the \$20 to \$40 increase, section 2 states the date the fee

1 becomes effective (February 1, 2017 at the soonest), and section 3 specifies the projects  
2 the funding can be used for.

3  
4 Written Comments: Staff explained a letter had been received from Sid Roberts which  
5 had already been distributed.

6  
7 Public Testimony: None

8  
9 Seeing no public comments, the hearing was closed.

10  
11 B. Consideration, discussion and possible action or other disposition related to said  
12 ordinance.

13  
14 Board Member Hurst asked \_\_\_\_ (inaudible). David Mach explained it started out  
15 below half a million and has been in effect for about five years. It has gone up steadily.

16  
17 Board Member Sutton asked what has changed since 1971. Deputy Director Elekes  
18 explained that the budgeting decisions made by the Administration and Council have  
19 changed. There used to be a much higher percentage of the General Fund put towards  
20 transportation funding. This has been reduced gradually each year.

21  
22 Board President Cotton commented \_\_\_\_ (inaudible).

23  
24 Board Member Sutton said she remembers hearing that 15,000 individuals come in and  
25 out of our city on any given day and a large portion of fees are attributed to them. She  
26 asked what the City can do to have some of those individuals be part of the solution.  
27 She suggested assessing higher non-resident fees. This might result in a decreased need  
28 for license tab fees which would disproportionately impact low-income and no-income  
29 residents.

30  
31 Board Member Boyer commented this transportation funding issue has been a high  
32 priority for the Council and the TBD Board for a number of years. The TBD Board was  
33 hopeful two years ago that a .2% increase in sales tax would solve the problem, but it  
34 was not approved by the voters. As a result they have been looking at other ways to get  
35 to the minimum \$4 million/year revenue mark. He stated that there is a ballot measure  
36 being prepared for a .1% increase in sales tax. He agreed with Board Member Sutton  
37 that the license tab fee increase is a regressive tax policy, and it unfairly affects those of  
38 lesser means. The license fee ordinance clearly puts the burden on residents of  
39 Lynnwood whereas other measures might assign more costs to those coming in from  
40 outside of Lynnwood. He noted that the red light camera fees issue is beyond the  
41 purview of the TBD Board, but would be worth looking at by the City Council. He  
42 noted that no one funding source is going to solve the problem; instead they will need to  
43 piece it together from different places. As a result they will likely still need to depend  
44 on the increase in license tab fees and sales tax revenues. He stressed that the streets are  
45 unsafe, and it is critical that the City does something to fix them.

1 Board President Cotton asked \_\_\_\_\_ (inaudible). Deputy Director Elekes replied that it  
2 would be all of the above. ADA ramps have an estimated cost of somewhere between  
3 \$5,000 and \$10,000 per corner. At least half of the city has old-standards ramps so the  
4 cost for fixing ramps alone would be approximately \$15-20 million or \$250,000-  
5 \$500,000 per year annually just to do wheelchair ramps. Under the current program and  
6 policy staff has endeavored to correct the ones that were done as part of a capital  
7 project. Director Franz explained that they look for opportunities whenever possible.  
8

9 *Motion made by Board Member Boyer, seconded by Board President Cotton, to*  
10 *approve TBD Ordinance No. 10 of the City of Lynnwood, Washington, Transportation*  
11 *Benefit District, increasing the vehicle license fee established in Ordinance No. 2 and*  
12 *authorizing certain projects to be funded; and providing for severability, an effective*  
13 *date, and summary publication."*  
14

15 *Board President Cotton moved to amend the motion on line 30 of page 50-3 so*  
16 *February 1, 2017 is the inserted date.*  
17

18 David Mach explained that the inserted date of February 1, 2017 would be the earliest  
19 that it could happen.  
20

21 *Board Member Boyer seconded the amendment. The amendment passed.*  
22

23 Board Member Ross asked if there was a way to apply car tabs based on vehicle value.  
24 Mr. Mach replied there is not a mechanism for that right now. He noted that February 1,  
25 2017 would also need to be inserted on line 13 of 50-3.  
26

27 *Motion made by Board Member Boyer, seconded by Board Member Ross, to insert*  
28 *February 1, 2017 into line 13 on page 50-3. Motion passed.*  
29

30 Board Vice President Goodwin discussed concerns he had about the ordinance and  
31 stated he would not be supporting it. (inaudible)  
32

33 Board Member Boyer commented in support of the ordinance. (inaudible)  
34

35 Board Member Ross agreed that this is a bitter pill. As much as she hates this, she feels  
36 like it is necessary. She thinks it is one opportunity they have to establish something  
37 that is not sales tax.  
38

39 Board President Cotton agreed that this was unpleasant but necessary. (inaudible)  
40

41 *Upon a roll call vote the motion passed 4-2 with Board Members Goodwin and Sutton*  
42 *voting against the Ordinance.*  
43

#### 44 60. SCHEDULING UPCOMING SPECIAL MEETING(S)

45

46 Board President Cotton announced that the next TBD Board regular meeting was scheduled  
47 for October 19, 2016 at 7 p.m. in the City Council Chambers.

1  
2 70. ADJOURNMENT  
3

4 *Motion made by Board Member Boyer, seconded by Board Member Sutton, to adjourn the*  
5 *meeting. Motion passed unanimously.*  
6

7 The meeting was adjourned at 7:45 p.m.  
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10 \_\_\_\_\_  
11 Ian Cotton, TBD Board President  
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14 Sonja Springer  
15 Finance Director, Acting as Board Treasurer  
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**Regular Meeting  
October 19, 2016  
7:00 P.M.**

**ATTACHMENTS:** None

1 City of Lynnwood  
2 Transportation Benefit District Board  
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4 **Item 60**  
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6 Regular Meeting  
7 October 19, 2016  
8 7:00 P.M.  
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11  
12 **TITLE:** Consideration, discussion, and possible action on Resolution #9 – Amend the TBD  
13 Charter  
14

15 **DEPARTMENT:** Public Works  
16

17 **DEPARTMENT CONTACT:** Jeff Elekes/David Mach  
18

19 **BACKGROUND:** The State Legislature recently revised state law authorizing TBDs to  
20 impose, by majority vote of the TBD Board, up to a \$40 vehicle license fee (previously  
21 limited to \$20), provided an annual vehicle license fee of \$20 has been imposed for at least 24  
22 months. On July 27, 2016, the Board passed Ordinance #10, which increased the annual  
23 vehicle license fee from \$20 to \$40 for the purpose of making transportation improvements  
24 that preserve, maintain, and improve the transportation infrastructure of the City of  
25 Lynnwood. The fee increase will go into effect February 1, 2017.  
26

27 On July 12, 2010, the Board passed Resolution #1, adopting the TBD charter. The charter  
28 outlines operating procedures for the Board. The charter was adopted at a point in time when  
29 the state law limited Board approved vehicle license fees to \$20. Now that the state law has  
30 been revised to a new limit of \$40, staff recommends that the Board revise the charter to be  
31 consistent with the recently revised state law. Staff has prepared Resolution #9 which, if  
32 approved by the TBD Board, will revise section 4.01(b) of the TBD charter accordingly.  
33

34 **ACTION:** Discussion and possible adoption of Resolution #9  
35

36 **ATTACHMENTS:** Resolution #9  
37  
38



1                                   **LYNNWOOD TRANSPORTATION BENEFIT DISTRICT**

2  
3                                   **RESOLUTION NO. 9**

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5                                   A RESOLUTION OF THE LYNNWOOD TRANSPORTATION  
6                                   BENEFIT DISTRICT; RELATING TO THE DISTRICT'S  
7                                   CHARTER; AMENDING SECTION 4.01(B) OF RESOLUTION  
8                                   NO. 1.  
9

10  
11                                  WHEREAS, on May 24, 2010 the Lynnwood City Council established the Lynnwood  
12                                  Transportation Benefit District; and,  
13

14                                  WHEREAS, in Resolution No. 1, the Board of the Lynnwood Transportation Benefit  
15                                  District adopted a charter stating operating procedures for the District, providing for the  
16                                  indemnification of the District's officers, employees, and agents, and established the time and  
17                                  place for regular meetings of the District's Board; and  
18

19                                  WHEREAS, the State Legislature recently revised RCW 36.73.065 which authorizes a  
20                                  Transportation Benefit District to impose, by majority vote of the district's governing board, up  
21                                  to forty dollars (\$40) of the vehicle license fee authorized in RCW 82.80.140, provided an annual  
22                                  vehicle license fee of twenty dollars (\$20.00) has been imposed for at least twenty-four months;  
23                                  and  
24

25                                  WHEREAS, on July 27, 2016, the Lynnwood Transportation Benefit District Board  
26                                  passed Ordinance No. 10, which increased the annual vehicle fee from twenty dollars (\$20.00) to  
27                                  forty dollars (\$40.00) for the purpose of making transportation improvements that preserve,  
28                                  maintain, and improve the transportation infrastructure of the City of Lynnwood, consistent with  
29                                  Chapter 36.73 RCW; and  
30

31                                  WHEREAS, the Board of the Lynnwood Transportation Benefit District now desires to  
32                                  revise the District's charter to be consistent with Ordinance No. 10, as authorized by State law;  
33                                  NOW, THEREFORE,  
34

35                                  THE BOARD OF THE CITY OF LYNNWOOD, WASHINGTON,  
36                                  TRANSPORTATION BENEFIT DISTRICT, DOES HEREBY RESOLVE AS FOLLOWS:  
37

38                                  Section 4.01(b) of Resolution No. 1, adopting the Lynnwood Transportation Benefit District  
39                                  Charter, is hereby amended as follows:  
40

41                                  (b) To authorize a vehicle tax of up to \$40~~\$20~~ per vehicle as provided for by RCW  
42                                  82.80.140.  
43  
44  
45

1 PASSED this 19<sup>th</sup> day of October, 2016 and signed in authentication of its passage this  
2 \_\_\_\_\_ day of \_\_\_\_\_, 2016.  
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5 \_\_\_\_\_  
6 Ian Cotton  
7 TBD Board President  
8

9  
10 ATTEST:

APPROVED AS TO FORM:

11  
12  
13 \_\_\_\_\_  
14 Sonja Springer  
15 Finance Director, acting as Board Treasurer  
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\_\_\_\_\_

Rosemary Larson  
City Attorney, acting as Board Attorney

17  
18 FILED WITH ADMINISTRATIVE SERVICES: \_\_\_\_\_

19 PASSED BY THE TRANSPORTATION BENEFIT DISTRICT BOARD: \_\_\_\_\_

20 RESOLUTION NUMBER: \_\_\_\_\_

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**City of Lynnwood  
Transportation Benefit District Board**

**Item 70**

**Regular Meeting  
October 19, 2016  
7:00 P.M.**

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**TITLE:** Consideration, discussion, and possible action on a contract amendment between the TBD and the Washington State Department of Licensing

**DEPARTMENT:** Public Works

**DEPARTMENT CONTACT:** Jeff Elekes/David Mach

**BACKGROUND:** On August 9, 2010, the Board approved an Interlocal Agreement with the Washington State Department of Licensing (DOL) for the purpose of identifying terms and conditions under which the DOL administers and collects fees on behalf of the TBD. It is now necessary to amend the Interlocal Agreement for the following reasons:

- 1) Update the DOL Contract Manager
- 2) Increase the fee collected by DOL to \$40 effective February 1, 2017
- 3) Amend Section 1 Definitions
- 4) Add Assignment Clause

**ACTION:** Discussion and possible approval on contract amendment

**ATTACHMENTS:** Contract Amendment

 <b>WASHINGTON STATE DEPARTMENT OF LICENSING</b>	<b>CONTRACT AMENDMENT BETWEEN THE DEPARTMENT OF LICENSING AND LYNNWOOD TBD</b>	DOL Contract No. K1929 Amendment No. 2
<b>Amendment</b>		
<p>Amendment Purpose: The purpose of this amendment is to:</p> <ol style="list-style-type: none"> <li>1. Update the DOL Contract Manager;</li> <li>2. Increase the fee collected by DOL to \$40 effective February 1, 2017;</li> <li>3. Amends Section 1 Definitions;</li> <li>4. Adds Assignment Clause; and</li> <li>5. Update Attachment A, STATEMENT OF WORK, by replacing in its entirety with an updated version Attachment A, STATEMENT OF WORK.</li> </ol>		
<b>Contractor</b>		
Contract manager Sonja Springer	(Area code) Telephone 425-670-5141	E-Mail <a href="mailto:springer@lynnwoodwa.gov">springer@lynnwoodwa.gov</a>
<b>Department of Licensing (DOL)</b>		
Contract manager Debra Dunn, Data Sharing Contracts Manager	(Area code) Telephone (360) 902-0136	E-Mail <a href="mailto:ddunn@dol.wa.gov">ddunn@dol.wa.gov</a>
<b>Attachments (when applicable)</b>		
This Contract consists of the following attachment(s) and all document(s) incorporated herein or by reference: <b>Attachment A, Statement of Work (revised)</b>		
<p>The execution of this Amendment shall constitute a ratification of any earlier agreement between the parties, hereto, the terms and conditions of which are contained herein. The intent of the parties is that <b>the effective date of this Agreement shall be on the date of last signature</b>. All other terms and conditions of the original Contract and any subsequent amendments thereto remain in full force and effect. The parties hereby acknowledge and accept the terms and conditions of this amendment which is executed by the persons signing below who warrant that they have the authority to execute it on behalf of DOL and the Contractor.</p>		
Contractor signature _____	DOL signature _____	
PRINT contractor name	Name Tamara L. Dohrman	
Print Title	Print Title Assistant Director Administrative Services Division	
E-Mail	E-Mail <a href="mailto:tdohrman@dol.wa.gov">tdohrman@dol.wa.gov</a>	
Phone	Phone 360-902-4044	

This Contract is hereby amended as follows:

- **Contract Management**

The DOL Contract Manager identified on page one (1) of the original contract is hereby updated to the Contract Manager listed on page one (1) of this amendment.

- **Fee increase**

Effective February 1, 2017, the fee that DOL collects on behalf of the TBD will be \$40.00.

- **Section 1, DEFINITIONS**

**Section 1, DEFINITIONS, is here by amended as follows:**

As used throughout this Contract the following terms shall have the meanings set forth below:

- a. "Administrative and Collection Expenses" means the Direct and Indirect Cost associated with the collection of the TBD fees, including but not limited to information technology services to implement and support the collection of TBD fees; accounting for and payment of fees to the TBD; Contract administration; and management analysis as well as other incidental administrative overhead, and includes the costs associated with optional access to the Internet Vehicle Information Processing System (IVIPS). It does not include record inquiries by TBD (under an IVIPS contract).
- b. "Authorized User" means TBD officers, and employees, or any other authorized agent or official of the TBD.
- c. "Billing Cycle" means the annual vehicle registration renewal.
- d. "Direct Cost" shall include, but is not limited to, all operating, equipment and personnel costs used to furnish the information, reruns and/or additional data runs, costs materials and data integrity costs directly related to the monthly production and maintenance of these data files.
- e. "District" means all the territory within the boundaries of the TBD's jurisdiction establishing the District.
- f. "DOL File" means the data file received from ~~DOR~~ a third party used by DOL as the primary GIS data source to assess TBD fees.
- ~~g. DOR means Department of Revenue.~~
- g. "GIS" means the Department of Revenue/Geographical Information System data provided to DOL by a third party.
- h. "Indirect Cost" shall include, but is not limited to, auditing, answering complaints, correspondence, administrative overhead, building rents, related utilities, and other expenses identified as Indirect Costs by the Director of DOL.
- i. "Location Code" means the four digit number that corresponds to a TBD jurisdiction that is used by DOL when assessing the TBD fee. The four digit number is derived from the Department of Revenue's ~~DOR's~~ sales and use tax Location Code information.
- j. "Next Billing Cycle" means the Billing Cycle that occurs during the 12th month following the current Billing Cycle. For example, if a renewal is sent for a due date in the month of January 2014, the Next Billing Cycle will be January 2015.
- k. "RCW" means Revised Code of Washington.
- l. "Subcontractor" means a person or entity not in the employment of the TBD named in this Contract, but who is performing all or part of those services outlined in this Contract under a separate Contract with the TBD. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

- **Section 16, ASSIGNMENT**

Section 16, ASSIGNMENT, is hereby replaced in its entirety with the following:

Any city or county in which a Transportation Benefit District has been established pursuant to chapter 36.73 RCW with boundaries coterminous with the boundaries of the city or county may by ordinance or resolution of the city or county legislative authority assume the rights, powers, functions, and obligations of the Transportation Benefit District in accordance with Washington law. The city or county, within ten business days, notify DOL of the passage of such ordinance or resolution and provide a copy. The parties will work cooperatively in the transition of the rights, powers, functions, and obligations of the Transportation Benefit District.

- **Update Attachment A, STATEMENT OF WORK, by replacing in its entirety with an updated version Attachment A, STATEMENT OF WORK.**

ATTACHMENT A  
STATEMENT OF WORK

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**1. FOR ADMINISTRATION AND COLLECTION OF THE VEHICLE FEE**

The Transportation Benefit District (TBD), or the city/county if they are legally assigned responsibility, shall furnish the necessary personnel, equipment, material and/or services and otherwise do all things necessary for or incidental to the performance of work as set forth below.

**2. RESPONSIBILITIES OF THE TBD**

The TBD shall:

- a. Be the primary point of contact to respond to inquiries or disputes from citizens who have questions about the fee.
- b. Handle all contacts and/or disputes regarding boundaries and/or questions regarding the TBD or its collection of fees.
- c. Agree that any omitted or incorrect addresses that result in the fee not being charged for the current Billing Cycle will not be collected by DOL during the current cycle. DOL will charge the fee during the Next Billing Cycle if GIS data is updated by the data provider, DOL has a reasonable amount of time to accomplish necessary computer changes, and the address is within the TBD boundary.
- d. Process and issue any refunds or shortages that may be due. It is anticipated that TBD refunds will be largely due to boundary disputes.
- e. Verify boundary information of the TBD against the information provided in the GIS system to ensure an address taxing Location Code is appropriately identified for fee collection. Notify DOL of any changes to initiate computer-programming updates for proper fee collection.

**3. RESPONSIBILITIES OF DOL**

DOL shall:

- f. Not impose the fee for vehicles as defined by law as "Not Subject" to the fee by statute and are listed in Attachment D, *Vehicles Not Subject to Fee*.
- g. Use data from the DOL File as the primary source for identification when assessing the fee for a vehicle registered within a TBD area. If the Location Code is one of the TBD areas, then DOL will apply the charge to the vehicle record. If a match cannot be found within the data from the DOL File, then the customer will not be billed the fee. DOL will not use any other data source to determine TBD fee liability.
- h. Administer and collect the appropriate annual vehicle fees of up to \$40.00 per vehicle, at the time of registration renewal, pursuant to RCW 82.80.140.
- i. Not be responsible for the issuance of any refunds or shortages of the fee collected on behalf of TBD for boundary disputes when a customer claims they do not live in a TBD's area.
- j. Not be responsible or liable for any incorrect or omitted notices sent because TBD provided information to DOL in error.
- k. Not make corrections or issue replacement paper or electronic renewal notices. Not be obligated to recover actual or perceived revenue loss of the fee due to errors from data provided to DOL for boundary discrepancies.
- l. Not be responsible for inquiries and/or disputes of customers regarding the fees imposed by the TBD, except to direct the customer to the contact information provided to DOL by the TBD.
- m. Provide customers with information on the DOL webpage, which includes contact information for TBD.
- n. Provide vehicle licensing office and DOL staff with information to explain the TBD fee, which includes a list of TBD contact information.
- o. Not be responsible for the timeliness of the State Treasurer's monthly distribution of funds.

1 City of Lynnwood  
2 Transportation Benefit District Board  
3

4 **Item 80**  
5

6 Regular Meeting  
7 October 19, 2016  
8 7:00 P.M.  
9

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11  
12 **TITLE:** Presentation, discussion and approval of the 2015 TBD Annual Report  
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14 **DEPARTMENT:** Finance/Public Works  
15

16 **DEPARTMENT CONTACT:** Sonja Springer/David Mach  
17

18 **BACKGROUND:** State law and the TBD Charter require the TBD to issue an annual report  
19 indicating the status of transportation improvement costs, transportation improvement  
20 expenditures, revenues, and construction schedules, to the public and to newspapers of record  
21 in the district. Considering these requirements, staff has prepared a 2015 TBD Annual Report  
22 for the Board's consideration and possible approval.  
23

24 **ACTION:** Discussion and possible approval  
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26 **ATTACHMENTS:** 2015 TBD Annual Report  
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7 **City of Lynnwood**

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9 **Transportation Benefit District**

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15 **2015 Annual Report**

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21 October 2016

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26 *RCW 36.73.160(2) - A district shall issue an annual report, indicating the status of*  
27 *transportation improvement costs, transportation improvement expenditures, revenues, and*  
28 *construction schedules, to the public and to newspapers of record in the district.*

29  
30 *TBD Charter 6.06 – In addition, the District, upon approval by the Board, shall issue an*  
31 *annual report, indicating the status of transportation improvement costs, transportation*  
32 *improved expenditures, revenues, and construction schedules, to the public and the*  
33 *newspapers of record in the District (the “Plan”). “Newspapers of record in the District”*  
34 *shall include all newspapers which have filed a request for public notice of meetings with the*  
35 *District.*  
36



## **Lynnwood TBD Background**

A Transportation Benefit District (TBD) is a Quasi-municipal corporation & independent taxing district created for the sole purpose of funding transportation improvements within the district. A TBD is created by ordinance of legislative authority (county or city) and may include other counties, cities, port districts, or transit districts through Inter-local agreements.

A law passed by the Washington State Legislature in 2007 allows city or county governments to create local transportation benefit districts and impose a local vehicle registration fee or other funding sources (such as sales tax) to fund local transportation projects. TBDs in Washington State have primarily been funded by a vehicle registration fee, but a few cities have implemented a sales tax funded TBD. As of October 2016, 54 cities in Washington State have approved a vehicle registration fee funded TBD.

Following a public hearing on May 24<sup>th</sup> 2010, the Lynnwood City Council approved Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new chapter to the Lynnwood Municipal Code, 12.14, entitled "Transportation Benefit District". The governing board of the Transportation Benefit District is the Lynnwood City Council, acting in an ex officio and independent capacity. The ordinance specifies that the boundaries for the TBD be coextensive with the City limits.

Following a public hearing on November 29<sup>th</sup> 2010 the TBD Board adopted TBD Ordinance #2 enacting a \$20 vehicle registration fee for each eligible vehicle registered in Lynnwood. The \$20 vehicle registration fee went into effect on July 1<sup>st</sup> 2011 and generates approximately \$550,000 annually for transportation projects. The projects to be funded (in whole or in part) include:

- City of Lynnwood Street Fund 111 (operation and maintenance)
- Pavement Overlay Program
- Traffic Signal Rebuild Program
- Traffic Signal Reconstruction: Scriber Lake Road at 196<sup>th</sup> Street SW (complete)
- 48<sup>th</sup> Avenue W Sidewalk: 183<sup>rd</sup> Place SW to 180<sup>th</sup> Street SW (complete)

Although it is a separate legal entity from the City of Lynnwood, the TBD is reported as a blended component unit in the City's annual financial statements because its sole purpose is for the construction, preservation, maintenance and operation of City streets.

## **2015 Meetings Summary**

The TBD Board held eight meetings in 2015. A brief summary of the meetings are listed as follows:

### **January 20, 2015 Special Meeting**

- Presentation: 2014 general election proposition 1 results
- Presentation and discussion: transportation funding status, needs and potential funding sources

### **March 9, 2015 Regular Meeting**

- Presentation and discussion: transportation funding status, needs and potential funding sources

1  
2 **May 4, 2015 Special Meeting**

- 3 • Executive session  
4

5 **May 11, 2015 Special Meeting**

- 6 • Presentation, discussion and possible final action or other disposition: transportation  
7 funding status and needs, potential funding sources and next steps for potential  
8 funding, including but not limited to options for possible ballot measure  
9

10 **May 26, 2015 Special Meeting**

- 11 • Consideration, discussion and possible final action or other disposition: rescheduling  
12 June 4, 2015 special meeting  
13

14 **June 10, 2015 Special Meeting**

- 15 • Presentation, discussion and possible final action or other disposition: transportation  
16 funding status and needs, potential funding sources and next steps for potential  
17 funding, including but not limited to options for possible ballot measure  
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19 **July 8, 2015 Special Meeting**

- 20 • Public Hearing - transportation funding status and needs, potential funding sources  
21 and next steps for potential funding, including but not limited to options for possible  
22 ballot measure including but not limited to imposing a sales and use tax and/or vehicle  
23 registration fee funding options  
24 • Presentation, discussion and possible final action or other disposition on Resolution #7  
25 and other various documents and procedures associated with a ballot proposition to  
26 impose a sales and use tax and/or vehicle registration fee funding options  
27

28 **November 18, 2015 Special Meeting**

- 29 • Presentation, discussion and approval of the 2014 TBD Annual Report  
30 • Public hearing, consideration, discussion and possible action on Ordinance #9 – 2016  
31 Budget  
32 • Presentation, discussion and possible final action or other disposition: transportation  
33 funding status and needs, potential funding sources and next steps for potential  
34 funding, including but not limited to options for possible ballot measure  
35

36 **2015 Revenue**

37 The TBD's revenues for the year ending December 31, 2015 are as follows:  
38

39	\$548,511	Vehicle Registration Fees
40	\$628	Interest
41	\$549,139	Total Revenues

42

43 **2015 Expense**

44 2015 TBD expenses consist of administrative expenses, TBD insurance (through the Cities  
45 Insurance Association of Washington (CIAW)), consultant services, and projects. The TBD's  
46 administrative expenses consist of staff time (Public Works, Finance, and Legal), public

meeting notices, and meeting minute recording/development. Total 2015 TBD expenditures are summarized as follows:

\$4,442	Administration
\$34,667	Legal
\$737	Professional Services
\$550,000	Projects
\$589,846	Total Expenditures

#### **Fund Balance**

The 2015 TBD ending fund balance is summarized as follows:

\$108,156	Beginning Fund Balance
\$549,139	Revenues
(\$589,846)	Expenditures
\$67,449	Ending Fund Balance

A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last page of this report.

#### **TBD Project Expenses and Schedules**

Projects identified in TBD Ordinance #2 for potential TBD funding include:

- 1) City of Lynnwood Street Fund 111  
Expenses: Varies year to year  
2015 TBD Funding Contribution: \$150,000  
Schedule: Ongoing
- 2) Pavement Overlay Program  
Expenses: Varies year to year  
2015 TBD Funding Contribution: \$400,000  
Schedule: Various projects from year to year
- 3) Traffic Signal Rebuild Program  
Expenses: Varies year to year  
2015 TBD Funding Contribution: No TBD Funds were expended on this project in 2015  
Schedule: Ongoing
- 4) Traffic Signal Reconstruction: Scriber Lake Road at 196<sup>th</sup> Street SW  
Expenses: \$733,285  
2015 TBD Funding Contribution: No TBD Funds were expended on this project.  
Schedule: Project was completed in 2014
- 5) 48<sup>th</sup> Avenue W Sidewalk: 183<sup>rd</sup> Place SW to 180<sup>th</sup> Street SW  
Expenses: \$1,453,275  
2015 TBD Funding Contribution: None in 2015 (\$85,000 expended in 2013)  
Schedule: Project was completed in 2014

Schedule of Revenues, Expenditures, and  
Changes in Fund Balances City of Lynnwood, Washington  
TRANSPORTATION BENEFIT DIST  
For the Year Ended December 31, 2015

	Actual
<b>REVENUES</b>	
Annual Vehicle Registration Fees	\$ 548,511
Interest	628
<b>TOTAL REVENUES</b>	<u>\$ 549,139</u>
<b>EXPENDITURES</b>	
Administration Expenditures	\$ 4,442
Legal	34,667
Insurance	-
Professional Services	737
Projects - Streets & Overlays	550,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 589,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (40,707)
<b>OTHER FINANCING SOURCES (USES)</b>	
Total other financing source (uses)	<u>-</u>
<b>Net change in fund balances</b>	(40,707)
Fund balances - beginning	108,156
Fund balances - ending	<u>\$ 67,449</u>



1                                   **CITY OF LYNNWOOD**  
2                                   **TRANSPORTATION BENEFIT DISTRICT**

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4                                   **ORDINANCE NO. 11**

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7                   AN ORDINANCE OF THE CITY OF LYNNWOOD,  
8                   WASHINGTON, TRANSPORTATION BENEFIT DISTRICT  
9                   AMENDING THE 2016 BUDGET FOR THE CITY OF  
10                  LYNNWOOD, WASHINGTON, TRANSPORTATION  
11                  BENEFIT DISTRICT; AND PROVIDING FOR AN  
12                  EFFECTIVE DATE, SEVERABILITY, AND SUMMARY  
13                  PUBLICATION.

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16                         WHEREAS, on May 24, 2010 the Lynnwood City Council did establish the  
17                         Lynnwood Transportation Benefit District; and,

18  
19                         WHEREAS, on November 18, 2015 the Transportation Benefit District Board  
20                         adopted a budget for fiscal year 2016; and,

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22                         WHEREAS, due to various reasons, the Transportation Benefit District Board  
23                         desires to amend the 2016 budget; NOW, THEREFORE,

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25                         THE BOARD OF THE CITY OF LYNNWOOD, WASHINGTON,  
26                         TRANSPORTATION BENEFIT DISTRICT, DO ORDAIN AS FOLLOWS:

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28                         Section 1. The 2016 Budget for the Lynnwood Transportation Benefit District for the year  
29                         ending December 31, 2016 is hereby amended.

Section 2. Revenues, Expenditures and Fund Balance. The budget sets forth totals of estimated revenues, expenditures, and ending fund balance of the Transportation Benefit District as summarized below:

<b>Estimated Beginning Fund Balance – 01/01/16</b>	<b><u>\$249,382</u></b> <b><u>\$67,449</u></b>
<b>Estimated Revenue</b>	
Washington State Department of Licensing	540,000
Interest	100
<b>Total Estimated Revenue</b>	<b><u>540,100</u></b>
<b>Estimated Expenditures</b>	
Insurance - purchased through CIAW	3,500
Administration – legal, staff support and misc.	32,000
Transportation Improvement – City of Lynnwood Street Fund 111	181,740
Transportation Improvement – Overlay Program Fund 311, identified in the City of Lynnwood Six Year Transportation Improvement Plan	<u>572,242</u> <u>390,309</u>
<b>Total Estimated Expenditures</b>	<b><u>789,482</u></b> <b><u>607,549</u></b>
<b>Estimated Ending Fund Balance - 12/31/16</b>	<b><u>\$0</u></b>

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 4. Effective Date. This ordinance shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

PASSED this 19<sup>th</sup> day of October, 2016 and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Ian Cotton  
TBD Board President

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sonja Springer  
Finance Director, acting as Board Treasurer

\_\_\_\_\_  
Rosemary Larson  
City Attorney, acting as Board Attorney

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**City of Lynnwood  
Transportation Benefit District Board**

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**Item 100A**

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**Regular Meeting  
October 19, 2016  
7:00 P.M.**

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**TITLE:** Conduct a Public Hearing on Ordinance #12 to adopt the 2017 budget

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**DEPARTMENT:** Finance/Public Works

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**DEPARTMENT CONTACT:** Sonja Springer/David Mach

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**BACKGROUND:** Staff has developed a draft 2017 TBD budget for the Board's review, comment, and possible adoption. The following provides background on how the revenue and expenditure projections were developed:

**2017 Revenue Projection**

Projected revenue for 2017 has been estimated using actual revenues received in the preceding twelve full calendar months (October 2015 – September 2016). Future revenue projection also took into consideration the planned vehicle license fee increase from \$20 to \$40 starting February 1, 2017. Based on these numbers, staff anticipates revenues of \$1,080,000 for the 2017 fiscal year.

**2017 Expense Projection**

The TBD's administrative expenditures consist of staff time (Public Works, Finance, and Legal), public meeting notices, and meeting minute recording/development. Based on administrative expenditures for prior years, staff has estimated \$22,000 in administrative expenditures in 2017.

Additional TBD expenditures include insurance coverage through the Cities Insurance Association of Washington (CIAW). The annual premium is \$3,500.

The total projected non-project expenditures for 2017 are summarized as follows:

\$5,000	Administrative (staff)
\$15,000	Legal Services
\$2,000	Misc. (notices, minutes, copies...)
3,500	CIAW Insurance
<hr/>	
\$25,500	Total Non-Project Expenditures



Estimated funding available for projects is calculated as follows:

\$	0	Beginning Fund Balance
	1,081,000	Revenue (including interest)
	-(55,500)	Contingency
	-(25,500)	Administrative Expenditures
<hr/>		
\$	1,000,000	Available for Projects

#### **2017 TBD Projects**

Projects identified in TBD Ordinance #10 for potential TBD funding include:

- 1) Preventative and routine pavement maintenance and reconstruction
- 2) Street and traffic maintenance and operations
- 3) Other capital projects as identified in the City's Transportation Plan

Staff recommends that the available revenue be used for the following projects/programs:

#	Project	Amount
1	City of Lynnwood Street Fund 111	\$250,000
2	Pavement Overlay Program Fund 311 and/or various capital projects	\$750,000
<b>Total</b>		<b>\$1,000,000</b>

Candidate pavement overlay/capital projects include the following:

- 1) 36<sup>th</sup> Avenue W (Maple Road to 164<sup>th</sup> Street SW)
- 2) Poplar Way Extension Bridge (over I-5)
- 3) 196<sup>th</sup> Street SW (48<sup>th</sup> Avenue W to 36<sup>th</sup> Avenue W)
- 4) Other...

If adopted by the TBD Board, TBD Ordinance #12 adopts a one year budget for the TBD for the year ending December 31, 2017.

A Public Hearing is being held to give the TBD Board an opportunity to hear comments from the public and also as required by Chapter 36.73 RCW. The meeting was advertised in the Everett Herald and on the TBD web site which can be viewed at the following: <http://www.ci.lynnwood.wa.us/tbd>.

**ACTION:** Conduct a public hearing.

**ATTACHMENTS:** TBD Ordinance #12

1                                   **CITY OF LYNNWOOD**  
2                                   **TRANSPORTATION BENEFIT DISTRICT**

3  
4                                   **ORDINANCE NO. 12**

5  
6  
7                   AN ORDINANCE OF THE CITY OF LYNNWOOD,  
8                   WASHINGTON, TRANSPORTATION BENEFIT DISTRICT  
9                   ADOPTING A ONE YEAR BUDGET FOR THE CITY OF  
10                  LYNNWOOD,   WASHINGTON,   TRANSPORTATION  
11                  BENEFIT DISTRICT FOR THE YEAR ENDING  
12                  DECEMBER 31, 2017; AND PROVIDING FOR AN  
13                  EFFECTIVE DATE, SEVERABILITY, AND SUMMARY  
14                  PUBLICATION.

15  
16  
17                         WHEREAS, on May 24, 2010 the Lynnwood City Council did establish the  
18                         Lynnwood Transportation Benefit District; and,

19  
20                         WHEREAS, Chapter 36.73 RCW requires the Transportation Benefit District  
21                         to adopt an annual budget; and,

22  
23                         WHEREAS, the Transportation Benefit District Board provided notice and  
24                         conducted a public hearing on October 19, 2016, regarding a proposed budget for fiscal year  
25                         2017; NOW, THEREFORE,

26  
27                         THE BOARD OF THE CITY OF LYNNWOOD, WASHINGTON,  
28                         TRANSPORTATION BENEFIT DISTRICT, DO ORDAIN AS FOLLOWS:

29  
30                         Section 1. The 2017 Budget for the Lynnwood Transportation Benefit District for the year  
31                         ending December 31, 2017 totaling \$1,081,000 is hereby adopted.

Section 2. Revenues, Expenditures and Fund Balance. The budget sets forth totals of estimated revenues, expenditures, and ending fund balance of the Transportation Benefit District as summarized below:

<b>Estimated Beginning Fund Balance – 01/01/17</b>	<b>\$0</b>
<b>Estimated Revenue</b>	
Washington State Department of Licensing	1,080,000
Interest	1,000
<b>Total Estimated Revenue</b>	<b>1,081,000</b>
<b>Estimated Expenditures</b>	
Insurance - purchased through CIAW	3,500
Administration – legal, staff support and misc.	22,000
Transportation Improvement – City of Lynnwood Street Fund 111	250,000
Transportation Improvement - Overlay Program Fund 311, and various capital projects identified in the City of Lynnwood Six Year Transportation Improvement Plan	750,000
Contingency	55,500
<b>Total Estimated Expenditures</b>	<b>1,081,000</b>
<b>Estimated Ending Fund Balance - 12/31/17</b>	<b>\$0</b>

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 4. Effective Date. This ordinance shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

PASSED this 19<sup>th</sup> day of October, 2016 and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Ian Cotton  
TBD Board President

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sonja Springer  
Finance Director, acting as Board Treasurer

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Rosemary Larson  
City Attorney, acting as Board Attorney

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**City of Lynnwood  
Transportation Benefit District Board**

**Item 100B**

**Regular Meeting  
October 19, 2016  
7:00 P.M.**

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**TITLE:** Consideration, discussion, and possible action on Ordinance #12 to adopt the 2017 budget

**DEPARTMENT:** Finance/Public Works

**DEPARTMENT CONTACT:** Sonja Springer /David Mach

**BACKGROUND:** See materials from the public hearing item 100A.

**ACTION:** Consider, discuss, and possibly adopt TBD Ordinance #12

**ATTACHMENTS:** TBD Ordinance #12 (see item 100A)